

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2200 - HB 2292

March 5, 2022

SUMMARY OF BILL: Requires the state to provide a bonus to each licensed teacher employed in the public schools of this state in an amount equal to one additional monthly installment of the teacher's salary or \$1,000, whichever is greater, if revenue collections by the Department of Revenue (DOR) exceed projections by \$100,000,000 or more during the preceding fiscal year. Requires the state to fund 100 percent of the bonuses awarded to licensed teachers pursuant to this section. Establishes that the bonuses awarded pursuant to this section are not part of the Basic Education Program (BEP).

FISCAL IMPACT:

Other Fiscal Impact – In the event tax collections exceed DOR projections by \$100,000,000 or more in FY21-22, there will be a one-time increase in state expenditures of \$283,477,600 in FY22-23.

Assumptions:

- The state will incur a cost only in a year following one in which actual DOR revenue collections exceed projections by \$100,000,000 or more.
- The proposed legislation does not state if the associated employer benefits will be included in the appropriation. It is assumed that any necessary benefits or taxes will be deducted from the bonus amount to teachers.
- The most recent count of the number of classroom teachers employed in Tennessee public schools is approximately 64,339. The average classroom salary for FY20-21 was \$52,871, or \$4,406 per month ($\$52,871 / 12$).
- Because the average monthly classroom salary of \$4,406 is greater than the \$1,000 bonus, the average salary will be used for the calculation of teacher bonuses.
- The bonus is stated to be one additional monthly installment of the teacher's salary, or \$1,000 whichever is greater. The total amount of bonus is estimated to be \$283,477,634 ($64,339 \times \$4,406$).
- This legislation acknowledges that, due to Article II, § 12 of the Constitution of Tennessee, this requirement is only legally binding for the 112th General Assembly, but encourages subsequent General Assemblies to include such appropriation.
- Taxes for FY21-22 will be collected through July 2022; therefore, it cannot yet be determined if collections will be \$100,000,000 or more greater than DOR projections. In the event collections reach this threshold, there will be a one-time increase in state expenditures of \$283,477,634 in FY22-23.
- No impact to the BEP.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

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